



Written by [Joe Wolverton, II, J.D.](#) on November 9, 2009

House Healthcare Bill: Medicare for a New Millennium

Congressman Eric Cantor of Virginia squeezes past a pillar at the back of the House Chamber and sits in an empty seat, his right hand on the left elbow of fellow Republican, Anh “Joseph” Cao, freshman from Louisiana. In a voice soft enough to be described as hushed, but with a tone and a pace that is noticeably anxious to the point of being pleading, he encourages Cao to demonstrate party loyalty and vote no on the “Affordable Health Care for America” (H.R. 3962), which as we now know was later passed by the House.



Cantor is the Republican Whip and thus is charged with managing his party’s attendance and securing their votes on key legislation. Cao is nominally a Republican and the district that elected him is historically Democratic so Cantor has reason to worry. As the roll is called, Cao listens as 218 Democrats vote “yea” ensuring the bill’s passage and then adds his voice, the lone Republican, to the majority. That one vote was procedurally irrelevant, but was nonetheless at once a defeat for Cantor and a victory for President Barack Obama, who had sent surrogates to Capitol Hill to tip the already left-leaning Cao.

President Obama appeared personally at a lunchtime pep rally organized by Democratic-party leaders to solidify support for a bill that is perhaps the most historically significant since the New Deal. The President said he was sensitive to the pressure worried constituents might be applying to members and the hay that political opponents would make of a yea vote on what is indisputably a controversial piece of legislation. A bill of this magnitude and profile would be rich with political fodder for opponents no matter how they voted, warned President Obama, so the vote’s true test was one of loyalty and of legacy, as he reminded the members that the bill offered for their sustaining vote was their chance to be a part of American history.

The anticipated vote was close enough to warrant the President’s personal appeal. At the end of a 12-hour debate that began with shouts of rancor and ended with shouts of celebration, the tally was 220-215, with 39 Democrats breaking ranks and joining 176 Republicans in voting against the bill. The final tally, though close, handed Speaker of the House Nancy Pelosi an impressive triumph and rewarding justification for the hours of debate and compromises it took to midwife the bill through a House divided.

As it turned out, the fulcrum upon which the final outcome turned was abortion. There are few subjects with so fervent and zealous a cadre of opponents and proponents as this. Marches are convened, prayers are offered, and clinics are bombed in the name of either perpetuating or annihilating this practice. The strength of sentiments among members of the House of Representatives are no less powerful than among Americans generally, so the question of whether or not the new healthcare scheme would use taxpayer funds to subsidize elective abortion was a thorn upon which the fabric of the whole legislation could catch and tear.



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Representative Bart Stupak, a Michigan Democrat and staunch abortion opponent, offered an amendment that every observer knew would serve as a bellwether for the ultimate success or failure of the larger legislative package. The Stupak Amendment provided for the extension of the existing prohibition on the expenditure of federal dollars on abortion. The vote on the Stupak Amendment was within 20 votes of mirroring the vote on the bill itself, with 64 Democrats and 176 Republicans uniting to support Stupak's provisions. If the healthcare bill passed late Saturday night by the House becomes law, then the effect of the Stupak Amendment will be to prevent any health insurance policy funded even partially with federal subsidies to cover elective abortion. This ban applies to policies offered under the so-called "public option."

With the tricky vote on abortion coverage behind them, the bill's promoters knew that passage of H.R. 3962 was, barring the midnight migration of a substantial bloc of congressmen, for the most part assured. As the votes were called, there were cheers of joy and sighs of resignation filling the House chamber. Despite the joy felt by exhausted champions of the bill, there was a sense that the battle had just begun. As one senior White House aide commented to another upon sharing a rejoicing embrace, "So, what you're going to want to do is go up here, take a right and down that hallway will take you to the Senate," referencing the fact that the passage of a companion bill in the Senate is miles from being a foregone conclusion.

When the Senate does begin deliberations on their version of health care legislation, a process likely to get under way sometime after the New Year when Congress re-convenes after the Christmas holidays, there is a lengthy litany of key provisions included in the House bill that will be on the table. What follows is a very abbreviated synopsis of the principal clauses in the scheme established under the 2,000-page bill approved by the House.

First, the bill mandates that beginning in 2013 any American not provided with health insurance as part of their employment benefit package must purchase their own policy. Non-compliance with this mandate would result in a penalty of 2.5% of the taxpayer's adjusted gross income. There are notable exemptions to this dictate, however, including anyone not required to file income tax returns. Also, while illegal immigrants are prohibited from receiving federal financial aid for the purchase of insurance, they would be permitted to use their own money to buy a policy provided by the federal government.

Anyone happy with the terms of his or her current policy would be permitted to keep that policy as part of a "grandfathering" provision in the bill. The plan provides for subsidies to any family whose income is less than or equal to 400 percent of the federal poverty level.

Employers with annual payrolls over \$500,000 must either provide coverage for their employees or contribute money to a national fund that would be used to extend to those employees a government-administered health insurance policy. Companies failing to comply with this mandate would incur a penalty of 8% of their payroll.

Next, Medicaid coverage will be extended to anyone earning less than 150 percent of the poverty level. The bill creates a multifaceted "health care exchange" that essentially functions as a government-supported marketplace wherein individuals and businesses may purchase health care plans. The various states are permitted by the bill to establish and manage their own exchange programs, including the creation of interstate exchanges.

Most notable of all the bill's terms is the creation of a government-run insurance system, known



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popularly as the “public option.” Under this provision, the government is required to develop and implement this plan by the year 2013. This publicly funded option would operate within the larger “coverage exchange” administered by an agency of the federal government. A substantial source of funding for this program comes from a surcharge of 5.4% that would be assessed on families whose gross income exceeds \$1 million and on individuals earning more than \$500,000.

Finally, any health insurance plan on offer must comply with certain defined regulations in order to qualify as an “essential benefits package.” These rigid regulations demand that approved policies meet or exceed a threshold level of coverage, and it must be remembered that all policies offered for sale to the American public must be approved by the bureaucrats empowered as overseers of the new federal health care behemoth. These compulsory minimum levels of coverage include such things as hospitalization costs and stay lengths, outpatient services, tools and techniques employed by physicians and other health care providers, mental health services, maternity and post-natal treatment, and the price charged for prescription drugs.



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